

# **OMB Mid-Session Review**

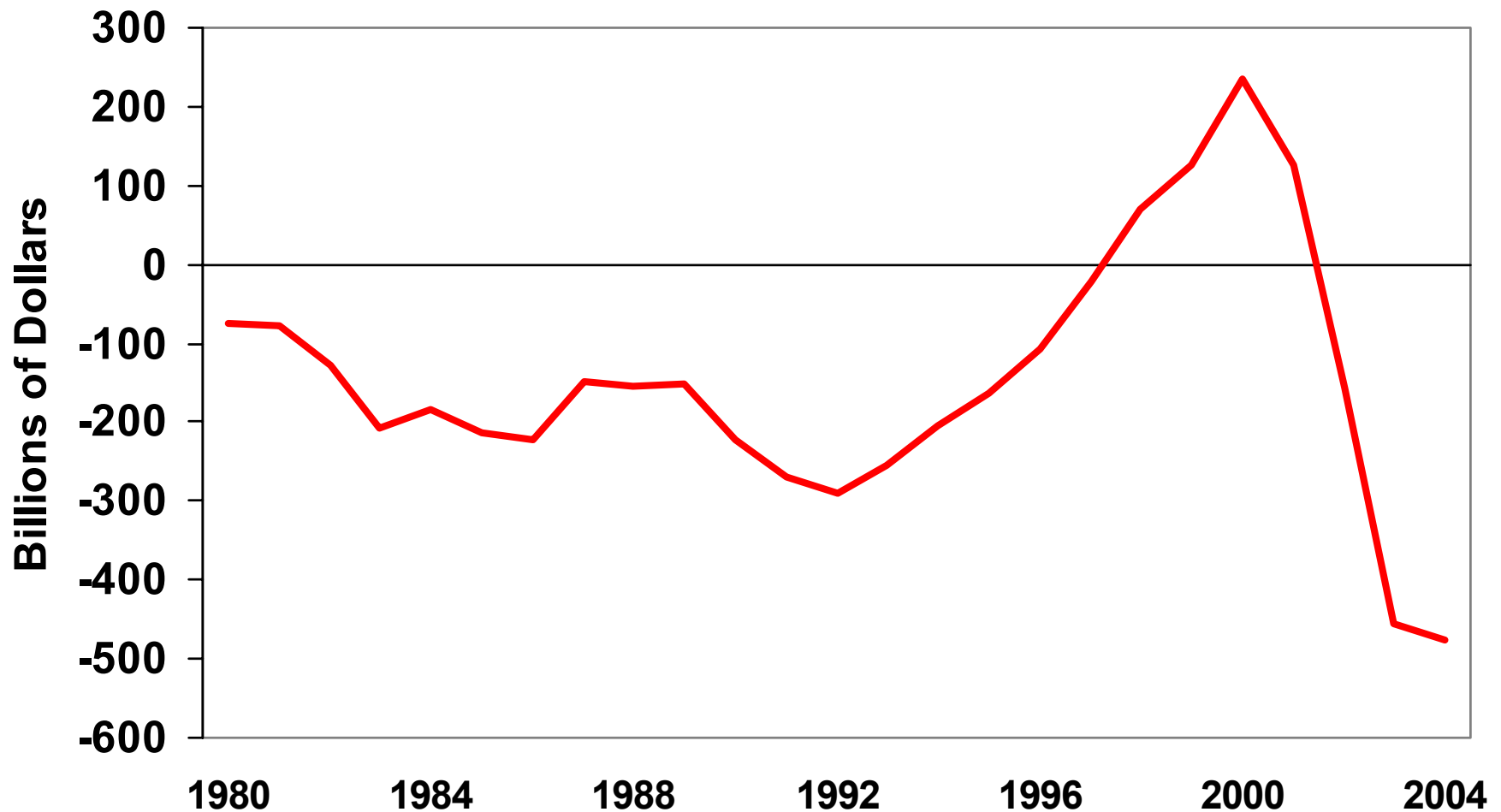
**Rep. John M. Spratt, Jr.**  
**Ranking Democratic Member**  
**House Budget Committee**  
July 16, 2003

# From Deficit to Surplus and Back Again

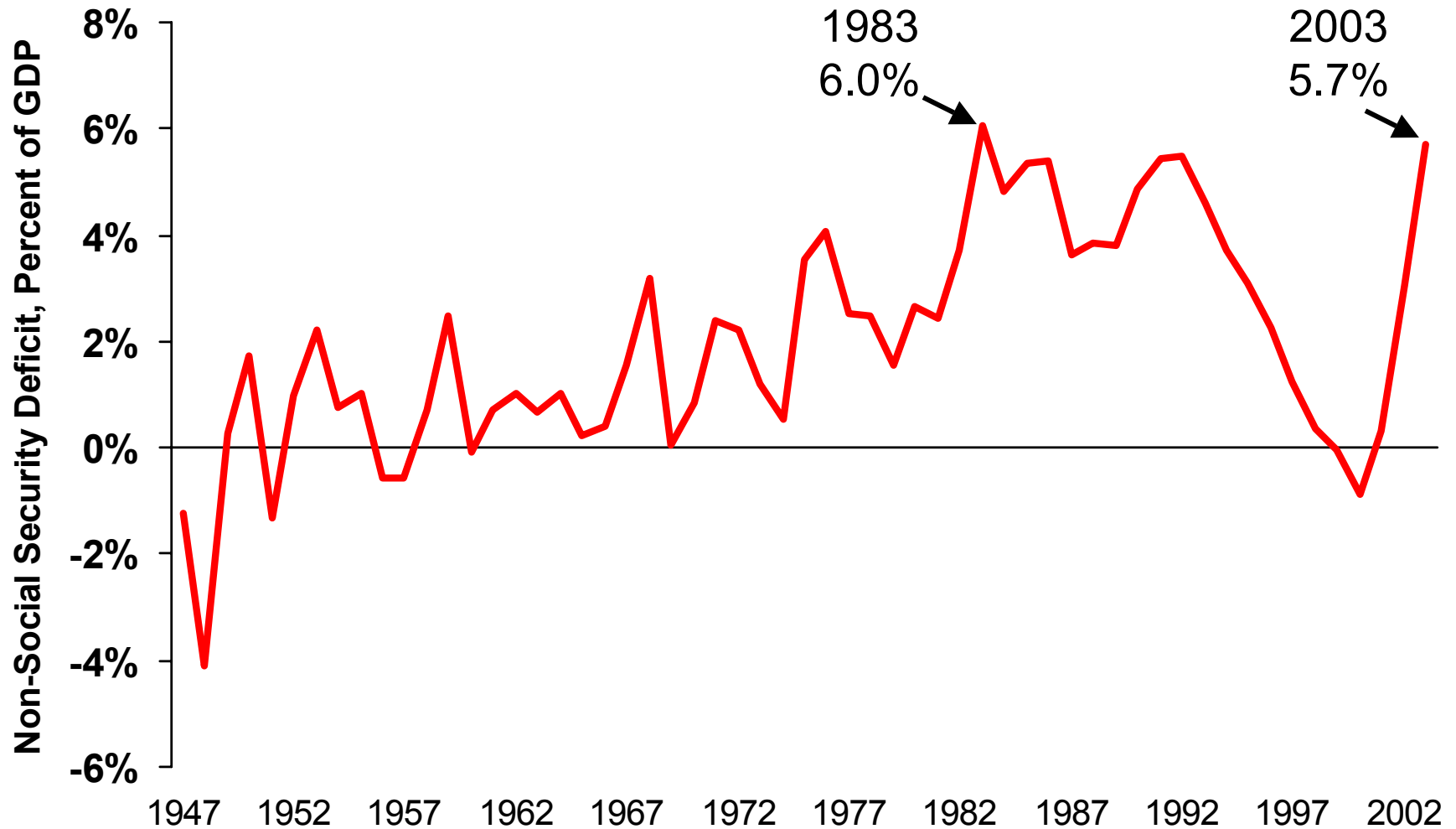
Fiscal Year	Deficit (-) or Surplus (+)	
	With Social Security	Without Social Security
1992	-290	-341
1993	-255	-300
1994	-203	-259
1995	-164	-226
1996	-108	-174
1997	-22	-103
1998	+69	-30
1999	+126	+1.9
2000	+236	+87
2001	+127	-33
2002	-158	-317
2003	-455	-615
2004	-475	-639

Source: OMB

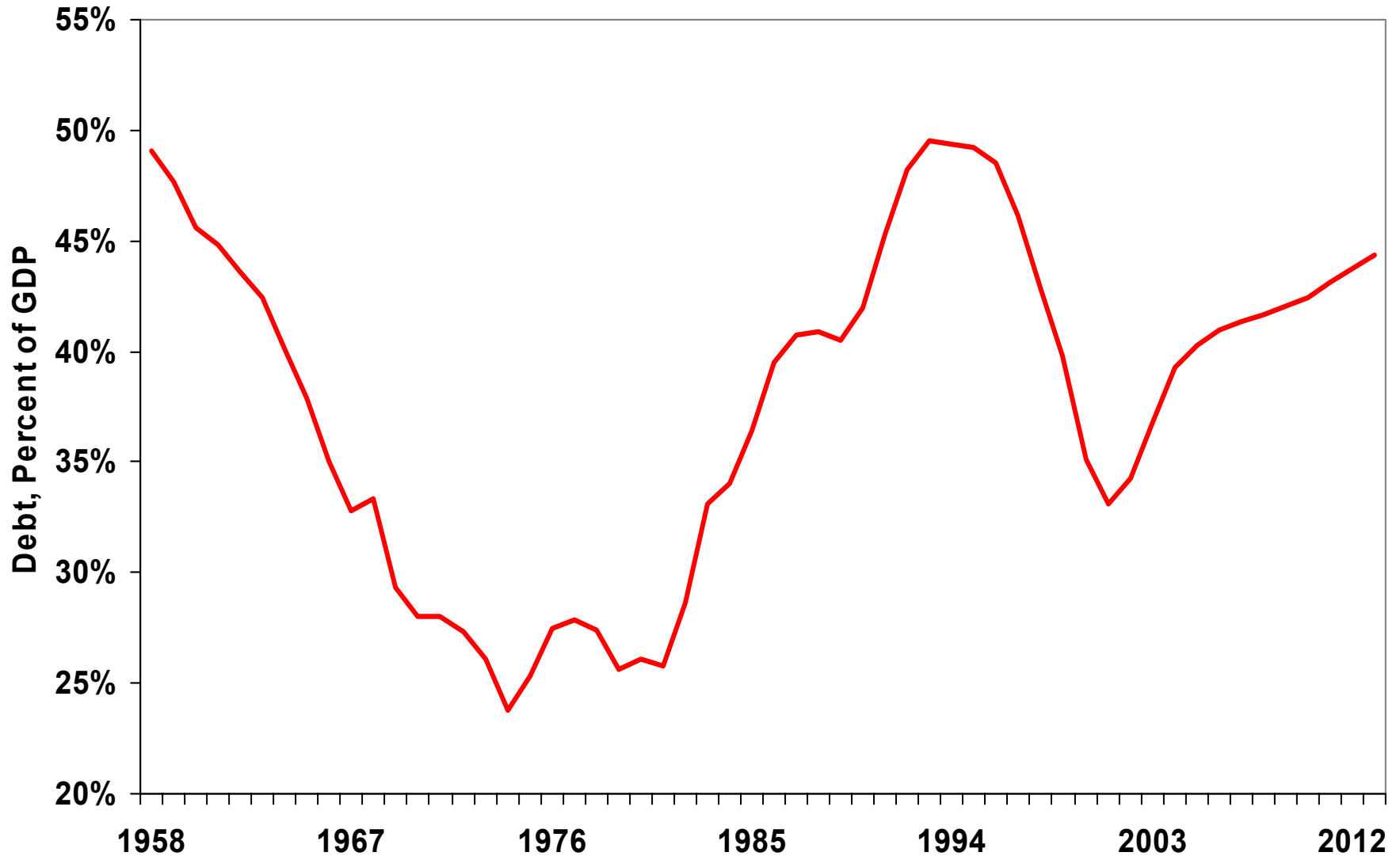
# The Largest Deficits in American History



# The Second-Largest Non-Social Security Deficit Since World War II

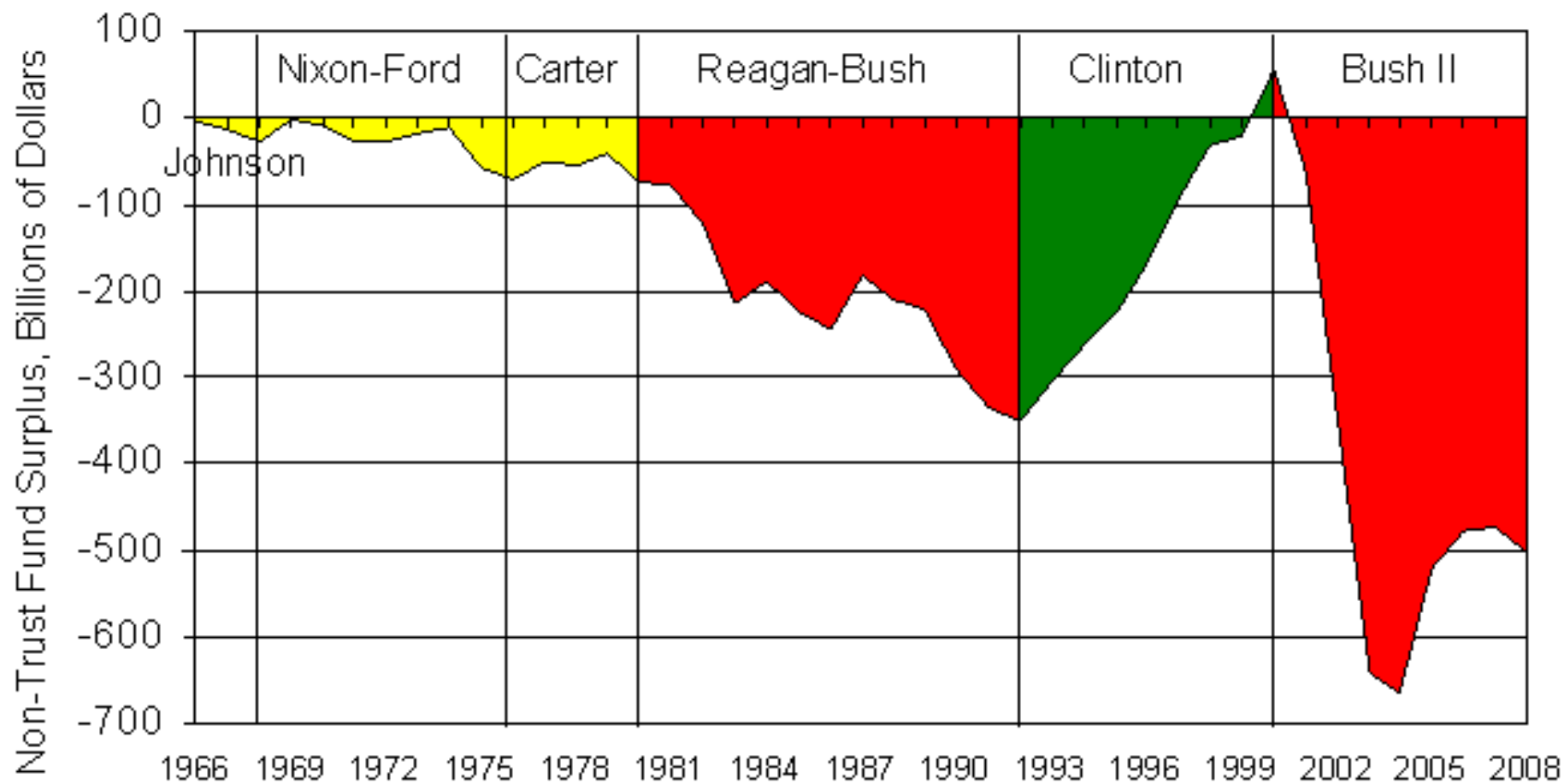


# Republican Deficits Increase Debt As A Percentage Of the Economy



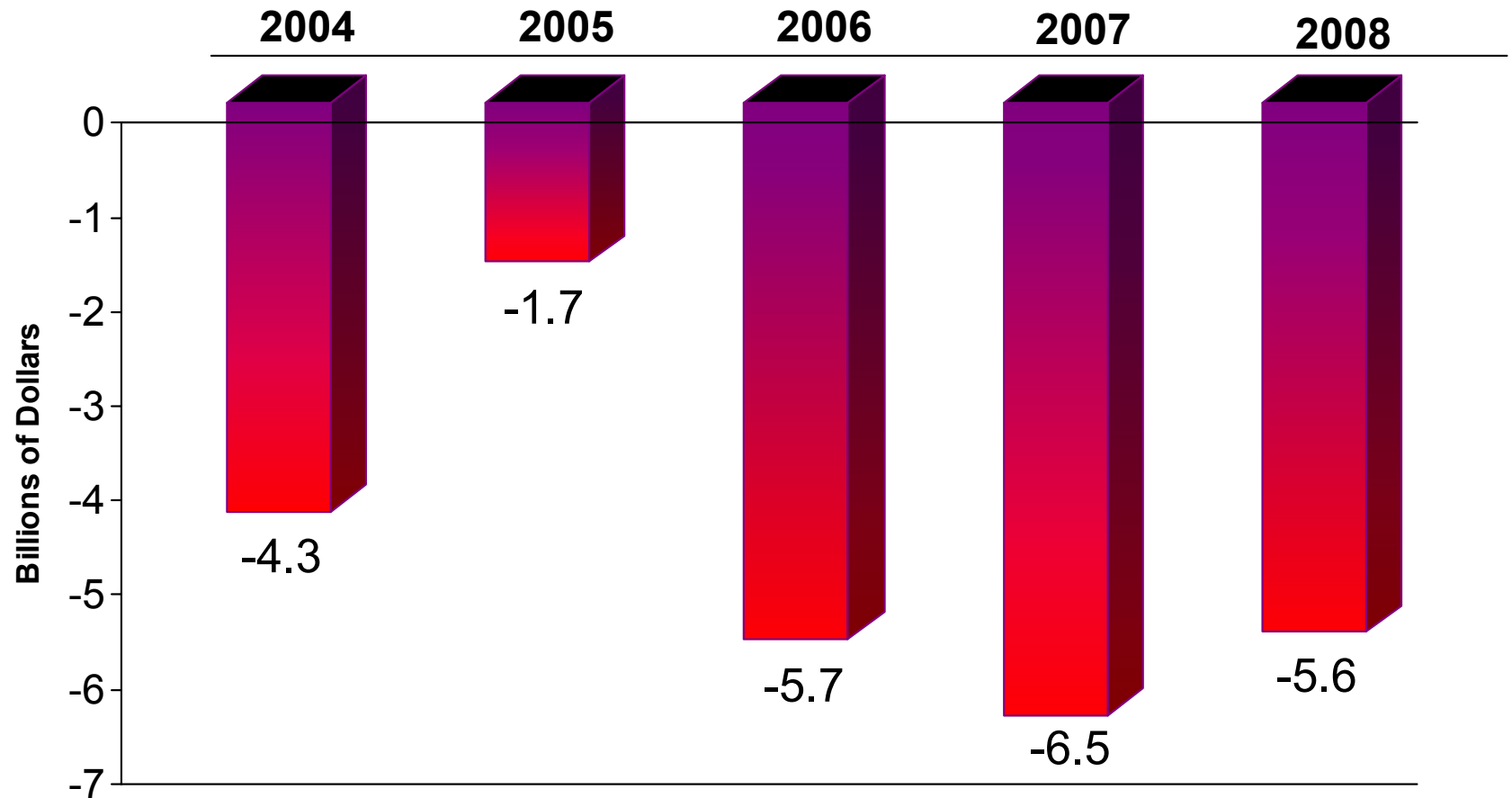
# A Fiscal Opportunity Lost

**Total Surplus or Deficit without Social Security or Medicare Trust Fund Surpluses**



Source: OMB

# OMB Assumes Unwise and Implausible Domestic Budget Cuts Every Year



OMB Mid-Session Review Policy Below Baseline

# **The Deficit Will Be Larger Than OMB Predicts Because:**

- **OMB omits the unbudgeted cost of deployments in Iraq and Afghanistan, running currently at a rate of \$5 billion per month.**
- **OMB omits the cost of renewing popular expiring tax breaks.**
- **OMB calls for spending restraint, but omits specific cuts in domestic discretionary spending.**
- **OMB omits the revenue impacts caused by adjusting the AMT to protect middle-income taxpayers.**
- **OMB uses 5-year forecasts to avoid the revenue impacts of extending tax cuts after 2008.**



# Defense, 9/11 Response, Iraq War Account for Increases in Discretionary Budget Authority, FY 2001-2003

